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CalFresh Program Guide

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Background:

Non-Assistance CalFresh households who are not MCE must not exceed the maximum allowable non-exempt property limit for liquid and non-liquid resources combined. Refer to [63-1101.1](#) for maximum allowable resources.

Policy:

Exclude the following resources when determining the household's eligibility to CalFresh for households that are not Categorical Eligible (CE) or Modified Categorical Eligible (MCE).

63-203.1 The Home and Surrounding Property:

The home and surrounding property which is not separated from the home by intervening property owned by others, is excluded property.

Public rights of way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property.

The home and surrounding property will remain exempt when temporarily unoccupied for reasons of employment, training for future employment, illness, or un-inhabitability caused by casualty or natural disaster, if the household intends to return.

Households who currently do not own a house, but own or are purchasing a lot on which they intend to build or are building a permanent house, will receive an exclusion for the value of the lot and, if it is partially completed, for the home.

63-203.2 Household Goods, Personal Effects & Pension Plans:

Household goods and personal effects are exempt resources. These include:

- One burial plot per household member,
- The cash value of life insurance policies,

For types of retirement savings and pension plans that are excluded from consideration as resources refer to the [Excluded Retirement Savings and Pension Plans Desk Aid](#).

63-203.3 Vehicles:

All Vehicles are exempt for consideration as resources.

63-203.4 Resources with Equity Value of \$1500 or Less:

Resources with an equity value of \$1,500 or less, excluding financial instruments such as stocks, bonds and negotiable financial instruments.

63-203.5 Income Producing Property:

Property which annually produces income consistent with its fair market value, even if only used on a seasonal basis is excluded. These include rental homes and vacation homes.

To determine if property is producing income refer to [CalFresh Processing Guide #200-01](#)

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63-203.6 Indian Lands:

Indian lands held jointly with the Tribe, or lands that can be sold only with the approval of the Department of the Interior's Bureau of Indian Affairs are excluded resources.

63-203.7 Property Essential to Employment:

Property essential to the employment or self-employment of a household member is excluded.

- Property may be farmland or work-related equipment, such as the tools of a tradesman or the machinery of a farmer.
- Resources of a business that are identifiable, such as funds in a checking or savings account, whether maintained exclusively for business purposes or commingled with non-excluded funds, will be excluded from resources to the extent that the funds represent averaged self-employment income and the funds necessary to produce that income, for the period of time over which the funds were averaged as specified in [63-241.5](#).

NOTE: When a household member ceases to be self-employed in farming, property which was essential to this self-employment will continue to be excluded as a resource for a period of one year from the date of termination.

63-203.8 Installment Contracts, Notes Receivable and Trust Deeds:

A. Installment Contracts

Installment contracts for the sale of land or buildings are exempt resources, if the contract or agreement is producing income consistent with its fair market value.

The exclusion will also apply to the value of the property sold under the installment contract, or held as security in exchange for a purchase price consistent with the fair market value of that property.

B. Notes Receivable and Trust Deeds

The full value of trust deeds and notes receivable will be considered exempt liquid resources provided that the household receives income from the trust deed or note receivable that is consistent with its fair market value.

63-203.9 Individual Developmental Accounts (IDA):

All funds in a TANF Individual Development Account (IDA) will be excluded as a resource for applicants and recipients for any period in which the individual maintains or makes contributions into the account.

IDAs must be established as a trust account for a specified purpose by, or for an individual who is eligible under the State's CalWORKs program. CalWORKs provisions require that the recipient deposit only earned income into the IDA and that all funds in the TANF IDA be exempted from the eligibility determination. These accounts are funded through periodic contributions by the establishing individual and matched by or through a qualified entity. IDA matching funds and the recipient contributions may be retained in separate accounts.

A qualified entity is defined as:

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- A not-for-profit organization that is exempt for taxation under Section 501(c) of the Internal Revenue Code; or
- A state or local government agency acting in cooperation with a not-for-profit organization described above.

63-203.10 Disaster Loans & Grants:

Governmental payments designated for the restoration of a home damaged in a disaster are excluded as resources.

Payments include but are not limited to, payments made by the Department of Housing and Urban Development through, the individual and family grant program, disaster loans, or grants made by the Small Business Administration.

63-203.11 Inaccessible Resources:

Resources that have a cash value, which are not accessible to the household are excluded. These resources include, but not limited to:

- Security deposits on rental property or utilities,
- Property in probate,
- Real property which the household is making a good faith effort to sell at a reasonable price and which has not yet been sold,
- Nutritional Assistance Program (NAP) benefits issued in the United States territories of Puerto Rico, American Samoa, and the Commonwealth of the Northern Marianas. These benefits are not accessible once the person is in the United States,
- Property, other than financial instruments (stocks, bonds, legally binding promissory notes, etc.), which if sold or otherwise disposed would produce more than \$1,500, and
- Irrevocable trust funds

Any funds in a trust or transferred to a trust, and the income produced by that trust, will be considered inaccessible to the household if **all** of the following conditions are met:

- The trustee administering the funds is either:
 - A court, or an institution, corporation or organization which is not under the direction or ownership of any household member; or,
 - An individual appointed by the court who has court imposed limitations placed on his/her use of the funds which meet the requirements of [63-203.8B](#) above;
- The funds held in irrevocable trust are either:
 - Established from the household's own funds if the trustee uses the funds solely to make investments on behalf of the trust or to pay the educational or medical expenses of any person named by the household creating the trust; or,
 - Established from non-household funds by a non-household member regardless of how these funds will be used;
- The trust investments do not directly involve or assist any business or corporation under the control, direction or influence of a household member;
- The trust arrangement will not likely cease during the certification period; and

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- No household member has the power to revoke the trust arrangement or change the name of the beneficiary during the certification period.

Note: If information is questionable, verification will be obtained through a collateral contact or documentation.

63-203.12 Funds Prorated as Income:

Resources (funds) of students (loans, grants, scholarship, etc), or self-employed persons that have been prorated as income are excluded.

The exclusion also applies to the funds of ineligible noncitizens or disqualified people whose resources are considered available to the household.

63-203.13 Federal Tax Credits and Refunds-Earned Income Tax Credits:

Federal tax refunds including, but not limited to over-withheld income tax, Earned Income Tax Credit (EITC), Child Tax Credit (CTC), or other tax credits are excluded resources for 12 calendar months after the refund is received for CalFresh applicants and recipients.

Refer to [63-224.11](#), Nonrecurring Lump-sum Payments

63-203.14 Resources of Individuals Residing in a Shelter for Battered Women:

Resources of woman or a women with children who are temporarily residing in a shelter for battered women will be considered inaccessible at the time of application if:

- The resources are jointly owned by the resident and member(s) of the former household from which the resident fled, and
- The resident's access to such resources requires the consent of both the resident and the member(s) of the former household.

Refer to [CalFresh Processing Guide #200-01](#) for information related to the treatment of resources of residents of shelters for battered women.

63-203.15 Lien Placed on Non-Liquid Resources:

An asset will be excluded if a lien has been placed on a non-liquid asset(s) as a result of taking out a business loan, and the household is prohibited by the security or lien agreement with the lien holder (creditor) from selling the asset(s).

63-203.16 Resources of Individuals Receiving PA:

Resources of household members receiving Public Assistance (PA) are excluded. If a resource is jointly held by a CalFresh household member who is receiving PA and a CalFresh household member who is not receiving PA, the amount counted in determining the PA eligibility will be excluded.

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63-203.17 Property Utilized to Maintain an Excluded Vehicle:

The portion of real property determined necessary for maintenance or use of an excluded vehicle is exempt as a resource. (Refer to [CalFresh Processing Guide #200-01](#))

63-203.18 Restricted Accounts:

CalFresh recipients (not applicants) will be allowed to retain unlimited cash reserves in one or more restricted accounts at a financial institution. These funds are in addition to the existing \$2,000/\$3,000 resource limits currently allowed.

To be excluded as a resource, the funds must be retained for one or more of the following specific purposes:

- Purchase of a home,
- Education or training,
- Start-up of a new business.
- The household must establish and maintain a restricted account separately from any other accounts.

Procedure:

Refer to [CalFresh Processing Guide #200-01](#)

Other Program Impacts:

None

References:

MPP 63-501.3

ACWDL dated June 30, 2014

[ACIN I-34-05](#); [ACIN I-16-05](#) and [ACIN I-18-07](#)

[ACIN I-34-99](#)

[MPP 63-102 \(p\)\(12\)\(a\)](#)

[ACIN I-58-08](#); ACL 98-19

[ACIN I-79-03](#)

[ACIN I-50-13](#)

[ACL12-62](#) & [13-32](#)

Sunset Date:

This policy will be reviewed for continuance on or by 10/31/2018

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10/16/2015